# Investor Fact Sheet

Q3 2023

## About Cogeco Communications

Rooted in the communities it serves, Cogeco Communications Inc. (TSX: CCA) is a growing competitive force in the North American telecommunications sector, serving 1.6 million residential and business customers. Through its business units Cogeco Connexion and Breezeline, Cogeco Communications provides Internet, video and phone services in the provinces of Québec and Ontario as well as in thirteen states in the United States.

## Canadian Telecommunications Segment



- Superior locally based customer service
- Ambitious network expansion projects, including partnering with governments to expand network in underserved areas
- Strong adjusted EBITDA[1] and margin[1], with solid cash flow generation
- 1 Gig Internet offered in 75% of our footprint
- Added 88,000 homes passed, including those added in fiscal 2022

*In millions of Canadian dollars*

| 1) Revenue | | 2) Adjusted EBITDA[1] | |
|---|---|---|---|
| FY 2021 | 1,393 | FY 2021 | 751 |
| FY 2022 | 1,440 | FY 2022 | 775 |
| LTM* | 1,475 | LTM* | 790 |

* Last twelve months ended May 31, 2023

## American Telecommunications Segment



- Well positioned as a consolidator of regional broadband operators
- Opportunity to expand in adjacent footprint with attractive demographic and economic growth
- Strong adjusted EBITDA[1] and margin[1], with solid free cash flow[1] generation
- 1 Gig Internet offered in close to 97% of our footprint
- Added 83,000 homes passed, including those added in fiscal 2022

*In millions of Canadian dollars*

| 1) Revenue | | 2) Adjusted EBITDA[1] | |
|---|---|---|---|
| FY 2021 | 1,117 | FY 2021 | 512 |
| FY 2022 | 1,460 | FY 2022 | 677 |
| LTM* | 1,491 | LTM* | 684 |

* Last twelve months ended May 31, 2023

## Share Facts (as of May 31, 2023)

| | |
|---|---|
| Dividend per quarter or $3.10[7] for fiscal 2023 | $0.776 |
| Dividend growth (compared to Q3 2022) | +10.1% |
| Market capitalization | $2,853M |
| Multiple and subordinate voting shares outstanding | 44M |

## Corporate Objectives and Strategies

**Our strategy focuses on five strategic growth vectors:**

1) Pursue Network Expansion to expand our footprint and reduce the digital divide by leveraging government programs

2) Evolve our Wireline Network to meet increasing demand using a flexible and balanced technological approach

3) Expand in New Customer Segments with a multi-brand approach to serve new demographics and grow our operations

4) Launch Mobile Services through a capital efficient model to enhance our offering in line with evolving customer needs and increased interest in bundled services

5) Make Accretive & Complementary Acquisitions to expand our footprint geographically and broaden our capabilities and service offerings

## Financial Guidelines

| *In millions of Canadian dollars, except %* | Actuals Fiscal 2022 | Projections* Fiscal 2023 (constant currency)[1][4] |
|---|---|---|
| Revenue | 2,901 | Increase of 0.5% to 2.0% |
| Adjusted EBITDA[1] | 1,393 | Increase of 0.5% to 2.0% |
| Net capital expenditures[1][2] | 689 | 700 to 775 |
| Net capital expenditures in connection with network expansion projects[2] | 157 | 180 to 230 |
| Capital intensity[1] | 23.8% | 24% to 26% |
| Capital intensity, excluding network expansion projects[1] | 18.3% | 17% to 19% |
| Free cash flow[1][3] | 424 | Decrease of 2% to 12% |
| Free cash flow, excluding network expansion projects[1][3] | 582 | Decrease of 5% to increase of 5% |

*As issued on January 12, 2023

## Primary Service Unit Statistics

(as of May 31, 2023)

| | Canadian Telecommunications | American Telecommunications | Total |
|---|---|---|---|
| Primary service units[5] | 1,867,317 | 1,120,931 | **2,988,248** |
| Internet | 840,662 | 680,785 | **1,521,447** |
| Video | 639,920 | 296,952 | **936,872** |
| Phone | 386,735 | 143,194 | **529,929** |

## Consolidated Financial Highlights

| *In millions of Canadian dollars, except per share data and %* | **FY2022 $** | **Q3 YTD 2023 $** | Q3 YTD 2022 $ | **Q3 2023 $** | Q3 2022 $ | **Change %** | **Change in constant currency[1][6] %** |
|---|---|---|---|---|---|---|---|
| Revenue | **2,901** | **2,241** | 2,175 | **742** | 728 | **1.9** | **(1.3)** |
| Adjusted EBITDA[1] | **1,393** | **1,070** | 1,046 | **351** | 348 | **1.1** | **(1.8)** |
| Profit for the period | **454** | **326** | 342 | **102** | 105 | **(3.7)** | |
| Earnings per share – Diluted | **9.09** | **6.80** | 6.81 | **2.16** | 2.16 | **–** | |
| Adjusted diluted earnings per share[1] | | **7.13** | 7.10 | **2.34** | 2.19 | **6.8** | |
| Acquisition of property, plant and equipment | **745** | **597** | 501 | **190** | 197 | **(3.9)** | |
| Net capital expenditures[1][2] | **689** | **523** | 465 | **170** | 182 | **(6.8)** | **(10.5)** |
| Capital intensity[1] | **23.8%** | **23.3%** | 21.4% | **22.9%** | 25.0% | | |
| Capital intensity, excluding network expansion projects[1] | **18.3%** | **17.1%** | 17.0% | **18.6%** | 19.7% | | |
| Cash flows from operating activities | **1,240** | **682** | 921 | **284** | 353 | **(19.4)** | |
| Free cash flow[1] | **424** | **327** | 390 | **104** | 105 | **(0.4)** | **–** |
| Free cash flow, excluding network expansion projects[1] | **582** | **467** | 486 | **136** | 143 | **(5.0)** | **(5.4)** |

## Operating Segments

| | Canadian Telecommunications | | | | American Telecommunications | | | |
|---|---|---|---|---|---|---|---|---|
| *In millions of Canadian dollars, except %* | **Q3 2023 $** | Q3 2022 $ | **Change %** | **Change in constant currency[1][6] %** | **Q3 2023 $** | Q3 2022 $ | **Change %** | **Change in constant currency[1][6] %** |
| Revenue | **374** | 362 | **3.2** | **3.2** | **368** | 366 | **0.5** | **(5.7)** |
| Adjusted EBITDA[1] | **196** | 196 | **–** | **0.3** | **171** | 166 | **2.8** | **(3.6)** |

Note: This Investor Fact Sheet, which includes non-IFRS and other financial measures, should be read in conjunction with the detailed disclosures contained in Cogeco Communications' 2023 third and first quarter Management's Discussion and Analysis ("MD&A") and the 2022 annual report available on SEDAR at www.sedar.com.

[1] Capital intensity, excluding network expansion projects, free cash flow, free cash flow, excluding network expansion projects, adjusted diluted earnings per share and constant currency basis are non-IFRS financial measures or ratios. These indicated terms do not have standardized definitions prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies. Adjusted EBITDA, adjusted EBITDA margin, net capital expenditures and capital intensity are other financial measures. Certain additional disclosures for these financial measures have been incorporated by reference and can be found in the "Non-IFRS and other financial measures" section of the Corporation's 2023 third and the first quarter MD&A and the 2022 annual MD&A, available on SEDAR at www.sedar.com.

[2] Exclude the non-cash acquisition of right-of-use assets and purchases of spectrum licences, and are presented net of government subsidies, including the utilization of those received in advance.

[3] The assumed current income tax effective rate is approximately 11%.

[4] Fiscal 2023 financial guidelines are based on a fiscal 2022 average foreign exchange rate of 1.2718 USD/CDN.

[5] Primary service units include Internet, video and phone customers.

[6] For the quarter ended May 31, 2023, the financials are translated at the average foreign exchange rate of the comparable period of fiscal 2022, which was 1.2713 USD/CDN.

[7] Based on an annualized quarterly dividend of $0.776 per share declared on October 27, 2022, January 12, 2023, April 13, 2023 and July 13, 2023. The dividend is subject to the Board of Directors' approval on a quarterly basis and there is no assurance that it will remain at the current level.

**Caution about forward-looking statements**

Certain statements in this Investor Fact Sheet, including, but not limited to, the statements appearing under the "Corporate Objectives and Strategies" and the "Fiscal 2023 Financial Guidelines" sections of the fiscal 2022 annual report, the "Fiscal 2023 Revised Financial Guidelines" section in the 2023 first quarter MD&A and the "Corporate Objectives and Strategies" section in the 2023 third quarter MD&A, may constitute forward-looking information within the meaning of securities laws. These statements are based on certain factors and assumptions, including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance, and business prospects and opportunities. While we consider these assumptions to be reasonable based on the information available to us as of July 13, 2023, they may prove to be incorrect. While management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this forward-looking information at any particular time, whether as a result of new information, future events or otherwise, except as required by law. Forward-looking information is also subject to certain factors, including uncertainties and main risk factors, which are described in the 2022 annual report and in the 2023 third quarter MD&A, that could cause actual results to differ materially from what we currently expect.

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